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From: Kiran C. Mehta [kmehta@tpnb.com]
Sent: Thursday, July 05, 2007 7:44 PM
To: Regs.Comments
Cc: Management Loan Committee
Subject: Docket ID:OCC-2007 -0011 Special Lending Limit Comments

July 5, 2007

Office of the Comptroller of the Currency
250 E Street, SW
Mail Stop1-5
Washington, DC 20219

RE: 12 CFR Part 32
Docket ID: OCC-2007-0011
Special Lending Program Interim Rule

Dear Sir or Madam:

Trans Pacific National Bank appreciates the opportunity to comment on the proposal to make the above program permanent by amending 12 CFR Part 32.

As an eligible and participating Bank, the Bank has benefited from the program and we are gratified it's being made permanent. However, we think the program's rules for selecting eligible loans are both confusing and contradictory which need to be clarified and further refined to avoid technical violations of the program. During the Bank's participation in the program, we have encountered the following issues:

* The program intent was to level the playing field between and state and national banks in lending limit disparities without compromising safe and sound lending practices of the participating banks. We believe the Call Report reference to identify eligible loan leaves out otherwise sound and less risky loans, which might not have been the intent of the program. For example, a commercial and industrial purpose loan (Call Report Schedule RC-C, Part 4) secured by a junior lien position 1-4 family residential property would not be eligible, yet the same loan would be eligible if it were an unsecured loan or secured any other collateral. The Banks are not able to make commercial and industrial purpose loans secured by multifamily residential properties (Call Report Schedule RC-C, Part 1(d)) under the program, yet loans secured by commercial and industrial properties (Call Report Schedule RCC-C, Part 1(e)) are eligible. The Banks are able to make an unsecured loan to a borrowing entity for commercial and industrial purpose (for example land development and construction), but if the Banks were to take the project as collateral, the same loan would not be eligible under the program.

* A previously originated and outstanding loan may not be later considered a pilot loan even if it meets the definition of a pilot program loan.

In view of the OCC's positive supervisory experience with the program with no adverse impact on the asset quality of the eligible banks and the proposed continued close scrutiny and monitoring of the eligible banks in the program, we strongly feel the program be revised as follows:

* The program should allow all types of loans to avoid technical lending limit violations that may result from the present confusing loan eligibility selection criteria for the program.

* An eligible Bank should have the flexibility to identify and select from the existing loans for a given borrower any loan as the program loan as long as the selected loan is eligible under the program so that the Bank may accommodate the same borrower's future need for another loan that is not otherwise eligible under the program.

* At minimum, the program should allow multi-family residential property and single family residential property as a collateral regardless of the lien position for a

commercial and industrial purpose loan.

Thank you for your consideration of the above comments.

Sincerely,

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